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New at AdamSmith.org: In Praise of Consumerism [1]

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We generally hear the term ?Consumerism? used as a term of abuse, usually by religious movements, pro-state economists, environmentalists and so on. I would argue that, properly constituted, a ?consumerist? society is exactly the type of society that we should be striving for.

However, part of the pejorative use of the term comes from a particular meaning attached to it. As the brief but surprisingly illuminating Wikipedia article [3] observes, there are at least four possible meanings of the term:

> i) The common use of the term giving an "emphasis on or preoccupation with the acquisition of consumer goods" (Oxford English Dictionary) ? which is exactly the meaning which attracts much opprobrium
>
> ii) The original coinage (1915) which referred to the "advocacy of the rights and interests of consumers" (Oxford English Dictionary)
>
> iii) The economic use of the term referring to ?economic policies placing emphasis on consumption?
>
> iv) And finally ?In an abstract sense, it is the belief that the free choice of consumers should dictate the economic structure of a society?.

Clearly, as Classical Liberals or Libertarians, we will see that (iv) is exactly the kind of economic order that we would like to prevail. This is the argument of von Mises in *Liberalism* that:

> *The social order created by the philosophy of the Enlightenment assigned supremacy to the common man. In his capacity as a consumer, the ?regular fellow? was called upon to determine ultimately what should be produced, in what quantity and of what quality, by whom, how, and where... The much decried ?mechanism? of the free market leaves only one way open to the acquisition of wealth, viz., to succeed in serving the consumers in the best possible and cheapest way.*

This must be contrasted to an economic order in which producers are able to dictate to consumers what quantity of quality and of goods they should receive and at what prices, rather than having that determined by, in the long-run, the subjective desires of consumers. In a free market*, producers will be unable to dictate to consumers except in a very few cases, as Hayek and von Mises pointed out. However, armed with the power of governmental intervention, producers will be able to create cartels and monopolies and exploit consumers. This is what Deirdre McCloskey recently pointed out [4] as have many others.

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